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SUMMARY RECORD OF THE 12th MEETING

Held at Headquarters, New York,
on Wednesday, 2 June 1993, at 3 p.m.

President:	Mr. HADID	(Algeria)
later:	Mr. ZAIRAN (Vice-President)	(Islamic Republic of Iran)
later:	Mr. HADID	

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The meeting was called to order at 3.10 p.m.

PROGRAMME PLANNING AND IMPLEMENTATION

(b) Matters relating to the programming cycles (DP/1993/69)

1. Mr. GRAISSE (Secretary of the Council) drew attention to document DP/1993/69, whereby the Administrator informed the Council that he had received communications from Eritrea and the former Yugoslav Republic of Macedonia requesting that they be given recipient status. If the Council approved the requests those countries would be provided with an indicative planning figure (IPF) in accordance with the provisions of Council decision 90/34.

(c) National execution and agency support costs (DP/1993/22)

2. Mr. GOMEZ (Associate Administrator), introducing the report on national execution and agency support costs (DP/1993/22), said that it gave details on the status of implementation of Council decisions 91/32 and 92/22, which set out the legislative framework for the new arrangements for agency support costs. Those new arrangements had been fully effective since July 1992. As of that date, the target of $500 million of approvals established by the Council had been exceeded.

3. Detailed guidelines for the new arrangements had been worked out jointly with the agencies and were currently in force in the field. Several improvements had been made following field testing of the guidelines; it was expected that they would be incorporated in the UNDP Programme and Projects Manual in 1993.

4. UNDP and the agencies had completed an extensive training programme for over 600 government, agency and UNDP personnel. Further country level training would be provided by the people already trained, with continued support from UNDP and the agencies.

5. Regarding the status of the financial provisions authorized by the Council in decision 91/32 for the new arrangements, he noted that, because of the serious erosion in UNDP resources for the fifth programming cycle, the target of annual increases in contributions of 8 per cent that had been assumed in decision 90/34 was unlikely to be achieved, and the IPFs for the fifth cycle might not be fully financed at the level anticipated. The Administrator had decided to carry out programme planning under the assumption that only 75 per cent of the established IPFs would be available for the cycle. In addition, expenditure targets for 1993 and 1994 had been revised.

6. The resource constraints and reductions in expenditure targets had led to a decline in project approvals in 1992 and 1993. While the introduction of new programming initiatives might have had some impact on the slow-down, the programme build-up achieved thus far in the fifth cycle was commensurate with available and projected resources. Table 1 of the report presented a summary of the total programme budgets approved thus far under various types of execution arrangements. As of 25 May 1993, 68 per cent of IPF resources had been approved, including 17 per cent under the new arrangements.

(Mr. Gomez)

7. There had been a significant change in the pattern of execution arrangements in recent years, in response to General Assembly resolution 44/211 as well as various decisions of the Council. New projects approved for national execution as a percentage of all new approvals had increased, and that trend was expected to accelerate in 1993 and beyond. Approval of new projects for execution by the agencies had correspondingly declined. However, there had been a significant increase in agency implementation of components of nationally executed projects. Estimates of support cost income were presented in table 2 of the report. The current estimate of resources needed to finance the new arrangements amounted to $473 million, approximately 25 per cent less than the original figure.

8. The agencies had expressed concern over the slow-down in new project approvals and the reduction in the flow of support cost resources. Effective operational modalities for the implementation of the new arrangements had been developed, and field personnel had been trained. Unfortunately, because of the resource situation, there might not be a sufficient critical mass of new project approvals in the fifth cycle to which those new arrangements could be applied.

9. As noted in paragraphs 16 to 19 of the report, although the Council had decided, in decision 91/32, that resources to the extent of 10 per cent of project value of nationally executed projects should be added to the IPF subline, the Administrator believed that the provisions of the IPF add-on legislation should be continued for one more year and he therefore intended to provide 13 per cent of 1992 project expenditures relating to nationally executed projects approved before 1 January 1992 as an add-on to the IPFs of the countries concerned. That solution was "cost neutral" in that no additional resources were called for.

10. Turning to technical support services at the programme level (TSS-1), he said that implementation of the work programme for the biennium 1992-1993 was fully under way. Over 60 per cent of the activities had either been completed or reached an advanced stage of implementation. The TSS-1 facility was becoming an important component of the overall efforts of the United Nations system to move "upstream" in the programme/project cycle, and provided an opportunity to mobilize the capacity of the United Nations agencies in support of those activities. Work was under way on the programme for the 1994-1995 biennium. The process of identification and formulation of proposals for TSS-1 financing had been initiated in the field and was governed by the needs identified at the country level. The final work programme would be submitted to the Council in February 1994.

11. In view of the limited use made thus far of the Technical Support Services at the Project Level (TSS-2), a review of all nationally executed projects, including those approved under the old arrangements, had been undertaken in the field with a view to determining whether technical support financed by TSS-2 budgets was required. Some budgets had been approved, as a result, and the exercise had highlighted the need for UNDP to strengthen its own accountability by having TSS-2 built in, pari passu, in nationally executed projects. Thus, it was expected that the initial allocation of $25 million would be approved by early 1994.

(Mr. Gomez)

12. The smaller technical agencies had expressed considerable concern about the decline of projects approved in the sectors represented by them. UNDP would hold consultations with them to develop proposals for enhancing their participation in UNDP-financed activities; it was possible that many of them would choose to participate in the new arrangements. UNDP, along with the agencies, continued to monitor carefully the implementation of the new arrangements. An internal assessment was expected to be carried out later in 1993, and a full external evaluation in 1994.

13. Mr. FORBES WATT (Food and Agriculture Organization of the United Nations), speaking as Chairman of the Inter-Agency Task Force on Support Costs, said that in recent years the five agencies directly concerned and UNDP had had consultations, in the Inter-Agency Task Force on Support Costs and in other forums, on the implementation of the successor arrangements. They had cooperated in holding extensive field briefings for the new system; there had also been internal efforts by each agency to brief personnel. The tightening UNDP resource environment had been a major constraint since it meant that as the five agencies completed the projects from the old system, there were not many projects under the new system. Approvals under the new system were much lower than expected; the prospects from 1994 onwards required close monitoring.

14. The increase in national execution had to some extent been accompanied by increasing agency implementation of some parts of projects, but the associated flow of TSS-2 demand, and services, had yet to materialize. The current level of TSS-2 approvals was surprisingly low; both UNDP and the agencies were giving priority to that situation, since it was the cornerstone of the successor arrangements.

15. The Task Force had concluded that TSS-1 had been a largely positive experience, though there had been some difficulties at the outset. There had been a very solid demand from the field for such "upstream" work by the specialized agencies, as reflected in current preparations for the second TSS-1 work programme. Agencies had linked their TSS-1 contribution to their regular programme activities and there had been a multiplier effect in many cases. UNDP and the agencies had worked together to remove bureaucratic and other obstacles, avoid small-scale scattering and ensure the necessary flexibility in the actual operations.

16. In connection with the independent evaluation of the successor arrangements to be submitted in June 1994, the Task Force had discussed a preliminary set of performance indicators for both UNDP and the agencies. It would attempt to differentiate between the actual performance of the arrangements over the 1992-1993 period and the effects of UNDP resource shortfalls. Close attention would have to be paid to the agency contribution to nationally executed projects, and in particular the provision of TSS-2 services in various stages of the project cycle.

17. The Task Force's meeting in April 1993 had been attended by a number of the smaller technical agencies of the system, which had been experiencing cutbacks in their UNDP-funded programmes. All the agencies present at that meeting had expressed interest in more active cooperation with the Office for Project Services (OPS) in order to ensure a productive and efficient division of labour

(Mr. Forbes Watt, FAO)

between the various operational and specialized parts of the system for the benefit of developing countries.

18. Mr. DJIWATAMPU (International Telecommunication Union) said that the small technical agencies had frequently expressed reservations about the programme approach which, if strictly applied, would sharply reduce their global and regional activities. Telecommunication networks knew no national boundaries, and an integrated and harmonized network was needed with global interconnectivity. The restrictions imposed by the programme approach and the slash in the regional IPF affected ITU's regional and global mandates, and the consequences would be felt throughout the United Nations system as well as in the developing countries. At the national level, the priority themes that would be adopted under the programme approach would exclude areas of concern to the small technical agencies, greatly reducing the prospects for their participation in United Nations operational activities. The inputs of the smaller technical agencies provided overall balance to country programmes; without it the development process would be severely jeopardized and, in extreme cases, the security of State and individuals could be threatened.

19. ITU had long expressed its support for national execution, and had pioneered its implementation over a decade ago, particularly in Latin America. However, it believed that national execution should be allowed to develop naturally as national capacity became available. When dealing with complex and rapidly changing technology, it was important to maintain a certain degree of presence alongside national execution. It was also necessary to distinguish between national execution and national implementation; technical agency presence in either modality would ensure the sustainability of technical excellence at the country level.

20. On the question of support costs, it seemed that there were no prospects of an increase in new approvals in the new cycle, and that further cuts in IPFs were likely. A solution to the problem must be found, for the technical agencies represented key sectoral developmental areas in developing countries. If the situation were allowed to persist it would tend to undermine the development process at the country level, and could lead to an irreversible loss of highly specialized technical capacity which could not easily be replenished were the resource situation to improve. ITU was convinced that, by providing the right assistance to developing countries, especially the least developed countries, the donor countries could secure a wider market for their industries and services.

21. ITU's decision to create the Telecommunication Development Bureau (BDT) and establish a regional presence had been intended, inter alia, to meet the growing requirements of the Governments of developing countries. ITU had expected its development partners, particularly UNDP and other multilateral financing organizations, to respond by increasing financial support for telecommunication projects. The regional presence policy, already undermined by the withdrawal of sectoral support funds, was being weakened by the sudden discontinuation of regional projects and a virtual standstill in approval of new national projects. Africa was being hit the hardest, and the continent's economic integration process, which African leaders had pledged to achieve by the year 2000, might well be jeopardized.

(Mr. Djiwatampu, ITU)

22. ITU's field activities were being further eroded by consultants employed by various organizations including the World Bank. It was ITU's policy to work with the private sector in telecommunication development, but it had to maintain transparency and neutrality in its technical advice to developing countries and ensure that internationally agreed regulations, standards and equipment specifications were strictly respected. Uncoordinated action at the national level by private consultants could jeopardize that work.

23. UNDP should embark on new negotiations with the small technical agencies to try to find concrete ways to alleviate the situation.

24. Mr. MORALES CARBALLO (Cuba) said that some aspects of the Administrator's report on national execution and agency support costs (DP/1993/22) gave rise to concern. Cuba had already made the 25 per cent reduction in its IPFs for each of its 12 national projects and had, since the beginning of the fifth cycle and even before, made a tremendous effort to encourage national implementation, with the result that of its 12 national programmes 11 had been implemented by the national Government. However, while it was true that the policy of national execution provided the countries concerned with a great opportunity, those countries must be ready to carry out such national implementation effectively. Moreover, it was unclear from a reading of paragraphs 16-19 of the Administrator's report whether countries, such as Cuba, which had completed their nationally executed projects early, would continue to receive the 13 per cent add-on referred to in paragraph 19 for the remainder of the current cycle. It was to be hoped that countries which had completed their projects early would not be penalized for so doing.

25. Mr. LINCOLN (World Meteorological Organization (WMO)) said that, whereas for the three years prior to 1992 WMO's technical cooperation programme had included projects amounting to between US$ 15 and 16 million, projects approved in 1992 amounted to only US$ 3 million. Only four projects were approved in 1992, as compared to 44 new projects approved in 1987. The decrease in donations to UNDP, along with changes in funding sources had contributed to the low approval rate. The number of nationally executed projects in the field of meteorology and hydrology was very small.

26. Another factor in the apparent reduction in meteorology and hydrology projects was the trend to ensure that all projects were within country programmes. Small technical specialized agencies did not have country representation and were therefore not often involved in the preparation of national development plans. If projects to strengthen basic infrastructures in developing countries were not approved, then the basic capability for providing meteorological and hydrological technical support for agricultural production, aviation safety, hydroelectric planning, etc. would be reduced or even lost. If WMO and other small technical specialized agencies were cut out of the formal execution of projects in their area of expertise, then sectoral support and project development fund facilities needed to be expanded to provide other funding with which to continue their assistance. A small ad hoc task group should be set up to discuss the best way to encourage the retention of the technical and scientific capability within the agencies and to provide the necessary know-how to ensure that projects were executed in a cost-effective manner.

27. Mr. MARRERO (United States) said that his Government had serious reservations as to whether the support cost system could function in light of reduced core revenues. In order for the arrangements to function equitably, the agencies should be involved at the project design stage and the pace of UNDP's project approval process should be quickened so as to infuse the system with appropriate and sufficient revenues.

28. The impact of the support cost arrangements on the United Nations development system was troublesome. The required review should be undertaken immediately and should examine both the procedural aspects and the long-term viability of that system.

29. Mr. CANTINI (Italy) expressed concern with respect to the issue of agency support costs. While his delegation had been pleased to hear that a level of over $600 million of project budgets had been approved under the old arrangements, it regretted the delay in the start of the training programmes for the application of the new mechanisms. That delay had aggravated the situation caused by the erosion in the outlook for resources for 1993 and the consequent slow-down in new project approvals in the fifth programming cycle.

30. Italy was particularly concerned about the trend of TSS-2. As was stated in the report by the Administrator, only $3.5 million out of the $60 million allocated to it had been utilized thus far. There was a clear linkage between that situation and the delay in the training programme. The lack of training had contributed to a failure by field personnel to take sufficient account of the need for associating the specialized agencies with the implementation of the nationally executed projects at an early stage in the project cycle.

31. His delegation considered that UNDP should continue to consult frequently with the interested agencies, in order to monitor effectively the implementation of the new arrangements. It also felt that the review and evaluation of the new mechanism of agency support costs should take place as soon as possible and in any case not later than February 1994.

32. Mr. LUNDBORG (Sweden), speaking on behalf of the Nordic countries, said that he would like to offer some general comments at the current stage. Although implementation of the new system had been slow, the Nordic countries recognized that, because of its complexity and scope, it would take some time to bring it into effective operation. In that connection, the importance of the training programmes in the application of the new arrangements, and the close connection between the new arrangements and national execution, should be emphasized. From that point of view, it was encouraging that there had been a clear increase in the number of nationally executed projects. The Administrator's report also made it clear that the specialized agencies could continue to play an important role even in nationally executed projects. The Nordic countries also welcomed the fact that UNDP was continuing to consult with the agencies on the implementation of the new system.

33. Mr. CLAVIJO (Observer for Colombia) said that while his delegation had been in favour of the new support cost structure, it was clear from paragraph 10 of the Administrator's report (DP/1993/22) that difficulties would be encountered in implementing the new system. His delegation was concerned that the scale of resources allocated to each country might be too small to permit effective

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execution of the national projects; a minimum level of funding must be made available not only centrally but in each of the countries concerned. His delegation also considered that the question raised by the Cuban representative was valid and required clarification.

34. Mr. PONCE (Ecuador) agreed with the representatives of Colombia and Cuba that the reduction in funding was regrettable because of the difficulties it was creating for developing countries. Paragraph 17 of the Administrator's report, and particularly its last sentence, also aroused some concern on his delegation's part; he would like to know what criteria the administration had used in selecting projects. His delegation was also concerned at the high level of resort to external consultants referred to in paragraph 24, and would ask whether something could be done to reduce that level.

35. Mr. GUO Xianzhi (China) said that the new support cost arrangements seemed rather complex and inefficient and he wondered whether they could be simplified. The new system should, to the extent possible, serve country programmes and be linked as closely as possible to them. Moreover, authority to endorse projects should be transferred to the field offices, which had a better understanding of the local situation than Headquarters.

36. China had always supported the national execution and had explored ways of making greater use of that system. As a result of that policy, its own national execution capabilities had been strengthened. It nevertheless considered that the system must be implemented gradually and on the basis of the actual capacities of the countries concerned, rather than uniformly throughout the world. It would be useful from that point of view for UNDP to train project personnel, particularly financial staff; his delegation hoped that UNDP would make a serious study of that recommendation and submit proposals for implementing it at the next session. The national execution policy was intended to strengthen the capacities of the recipient countries to carry out projects; his delegation hoped that UNDP would encourage such national execution and avoid implementation by Headquarters.

37. Ms. KNUTSON (Canada) welcomed the fact that the process of formulating the TSS-1 proposals for 1994-1995 was to begin in the field and would be governed by priorities and needs identified at country level, in contrast to the headquarters-driven process followed in 1992-1993. The delegation of authority to the resident representatives for the formulation and approval of TSS-2 budgets was also to be commended, although in some cases it had led to duplication of technical assistance and closer monitoring was required. The success of the tripartite field workshops was to be welcomed, as was the willingness of the smaller specialized agencies to become more involved in upstream, policy-related areas.

38. While welcoming the growing importance of national execution, she would be interested to know the reasons for the dramatic growth rate in the previous two years, a trend which seemed set to continue and which would entail greater support and scrutiny in the field. For national execution to operate effectively, a credible national recruitment service was required, encompassing a broad range of expertise from varied sources, including non-governmental organizations and the private sector. In that connection, she referred to the

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meeting held in Cairo in March 1993 sponsored by the Department of Economic and Social Development, which had been attended by an impressive number of national recruitment services from developing countries. She wondered what progress and support UNDP had provided in that area to identify and mobilize the national expertise which was vital for a fresh approach to technical cooperation.

39. Mr. KAZUSNIK (Austria) said his delegation was satisfied that upstream studies financed by TSS-1 had been so well received by the field offices and Governments, but was concerned by the very low use of TSS-2, specifically with regard to the increase in national execution. The current resource situation which, under the new regime of successor arrangements had put additional strain on the supplementary agencies, could have negative effects on the United Nations operational activities.

40. Mr. MACHIN (United Kingdom) said his delegation fully supported the principles behind the new support cost regime which encouraged a more technical focus among the agencies and promoted a more flexible approach to national execution. While his delegation fully understood the constraints engendered by the current international resource climate, it questioned why the proportion of support cost for agencies was so low. The agencies were not sufficiently involved at the early stages of project preparation, and thus could not provide the technical backstopping which had been originally envisaged. His delegation wondered whether UNDP had any further idea of the extent of backstopping by the five agencies and by other agencies.

41. National execution could not occur until national capacity had been established, and his delegation questioned whether UNDP could assure that full and necessary capacity would be in place to enable countries to plan, execute and backstop. He welcomed holding further informal consultations in order to fully understand the constraints and complexities of the scheme.

42. Mr. WIBISONO (Indonesia) said that the success of past human resource development programmes was reflected in national capacity improvement and an increase in the use of national execution. His delegation believed that national execution should be allowed to come naturally as national capacity became available.

43. The sudden discontinuation of regional projects such as telecommunication projects in Africa was cause for concern, as the development of telecommunications in developing countries was essential to their growth. Regarding successor arrangements for agency support cost, his delegation felt that the training workshop had been extremely useful in enabling all participants to better understand the policy framework for execution and implementation.

44. Mr. BORJA DE MOZOTA (France) referring to the planned consultations with smaller technical agencies mentioned in section VI of the report of the Administrator, said that his delegation would like to know which particular agencies were involved.

45. Mrs. AMERASEKARE (Observer for Sri Lanka) said that not enough was being done to promote the national execution of projects. National execution was essential in helping to build up national capacity and should be given every possible encouragement. She was also concerned at the policy of paying lower salaries to local experts and felt that reasonable remuneration should be provided in order to encourage national execution. Technical backstopping was also of vital importance for national execution and should be provided in good time and at the appropriate level.

46. Mr. ZIARAN (Islamic Republic of Iran) took the Chair.

47. Mr. GOMEZ (Associate Administrator) said that UNDP shared the concerns expressed by the five agencies subject to the new regime and by those operating under the old arrangements. However, the question was not merely one of finance but also of the agencies' role as members of the international community. UNDP fully recognized their predicament and was open to dialogue. It particularly looked forward to the consultations to be held with the smaller technical agencies, which, to answer the question put by the representative of France, included all those agencies not yet subject to the new regime. Before replying to other specific questions, he wished to point out that national execution was not governed by resolutions or decisions of the Governing Council, but by General Assembly resolution 47/199 under which national execution was considered to be the norm.

48. In reply to the representative of Cuba, he explained that for 1992 projects approved by the specified date would be reimbursed at the rate of 13 per cent under the new arrangements, but that those approved subsequently would not. That decision was not arbitrary but arose from Governing Council resolution 90/26 on agency support costs, under which it had been decided to create a sub-line within country indicative planning figures. Under paragraph 12 of the resolution, resources transferred to the country indicative planning figure sub-line could be used to finance support services from external agents and resources saved by not having to compensate external agents would be available for use within the country programme in accordance with national priorities and taking into account the desire to promote the development of national capacity.

49. He agreed wholeheartedly with the representative of the United States concerning the need to secure agency intervention at the design stage of projects. He was concerned at the low rate of utilization of TSS-2, the main UNDP facility for that purpose, but noted that measures were being taken jointly by UNDP and the agencies in order to remedy the situation.

50. Responding to the concern expressed by the representative of the United Kingdom at the fact that only 75 per cent of the TSS-2 allocation was likely to be programmed during the cycle, he pointed out that the initial theoretical total of $25 million was no longer available because of resource constraints and that the TSS-2 budget had been reduced by 25 per cent as a consequence.

51. He agreed with the representative of the United States that approval procedures needed to be accelerated, but pointed out that 68 per cent of available resources had already been approved only 18 months into the current cycle. In the absence of any indication that contributions would improve in 1995 and 1996, the Administrator was obliged to proceed with caution. UNDP did

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intend to launch an early review of the arrangements and was also looking forward to the report to be drawn up by independent consultants, which would be submitted to the Governing Council in June 1994.

52. He shared the views expressed by the representative of Italy concerning the importance of training and the regrettable delays in the training programmes. In reply to the concern expressed by the representative of Colombia over the scarcity of resources, he stressed that any review of the situation must focus on efficiency and effectiveness. He agreed with the representative of China concerning the need to simplify procedures and noted that UNDP had done so in the case of the TSS-1 facility and had also delegated approval of the TSS-2 facility to the field.

53. The representative of Ecuador had raised the issue of the possible arbitrary selection of projects referred to in paragraph 17 of the report of the Administrator. The fact was that UNDP had refused to make an arbitrary selection. Faced with the need to identify $140 million of nationally implemented projects from an original total of $304 million of approved projects, UNDP had felt that the only logical solution was to continue financing add-ons throughout 1992 and not to make any selection among the projects to which the add-on provision was applicable. The representative of Ecuador was also concerned that 20 per cent of the total amount provided for agencies under the TSS-1 facility would be absorbed by consultants' fees. However, UNDP considered that figure to be a reasonable level, given that the agencies were required to use 80 per cent of their own resources.

54. He was grateful to the representative of China for pointing out that the new system was only one year old and was still relatively untested. In that connection, UNDP was open to constructive criticism and would welcome any bilateral contributions drawing attention to national execution practices and procedures which could be improved.

55. He agreed with the representative of Canada on the importance of the recent Cairo seminar and pointed out that the Department of Economic and Social Development had been developing its relations with national recruitment services over a period of many years.

56. In reply to the representative of Austria, he agreed that the constraints imposed by the current resource system had to be recognized. He also shared his concern regarding the TSS-2 facility, but noted that it should be available for programming by early 1994. Replying to a question by the representative of the United Kingdom, he explained that the support costs for the five large agencies had been low because of the relatively small number of projects so far approved under the new regime, following the efforts made to maximize the number of approvals under the old arrangements.

57. He agreed with the representative of Indonesia that the remarks made by the representative of ITU were highly relevant. However, he noted that total project approvals for ITU were slightly higher than in 1992, amounting to approximately $6.8 million. Replying to the representative of Sri Lanka, he

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said that local salaries were determined by looking at the best prevailing rates paid by local employers, including the public sector. In some cases local salary levels were as high as, if not higher than, international levels.

58. Mr. HADID (Algeria) resumed the Chair.

SPECIAL PROGRAMMES OF ASSISTANCE

(c) Assistance to the Palestinian people (DP/1993/19)

59. Mr. ROTHERMEL (Director, Programme of assistance to the Palestinian people) introducing the report on the programme of assistance to the Palestinian people (DP/1993/19), said that it sought to provide the Council with highly summarized information to facilitate assessment of performance of the programme. The positive aspects included a rapid expansion of available financial resources, a quickening pace of annual project expenditures and completion in 1992 of a number of large, high-impact projects.

60. One of the most intractable problems facing UNDP and all other development organizations had been the shortage of reliable data regarding the many development programmes and projects carried out under the auspices of donor Governments, NGOs and other multilateral and bilateral organizations. UNDP had played a prominent role in developing mechanisms for the exchange of reliable project information and for coordination among planners.

61. UNDP had had to adopt novel approaches to reach planning and programming decisions based on Palestinian priorities. Though the broad plans for the programme had been reviewed consistently through consultations with the Palestine Liberation Organization, in various parts of the world, detailed planning reviews with local Palestinian representatives in Jerusalem, the West Bank and Gaza Strip had not benefited from direct PLO representation, leading to some uncertainties in coordination. Ways of assuring enhanced PLO participation were currently being reviewed with the PLO leadership. UNDP had actively participated in several of the multilateral working groups of the Middle East peace process, and it was currently assisting in the implementation of activities designed to overcome the massive unemployment and underemployment in the occupied Palestinian territories.

62. Mr. AL-KIDWA (Observer for Palestine) said that hopes for rapid progress in the solution of the Palestinian question prompted by the peace talks begun at Madrid in October 1991 had been disappointed. Economic conditions in the occupied territory had recently worsened, particularly since the arrival of Mr. Rabin's Labour Government, which had broken all records for simultaneous expulsions, numbers of people killed within a short space of time and the number of days on which the occupied territory had been sealed off, thus engendering an explosive situation without precedent. Unemployment had thereby been increased, the marketing of local agricultural produce and the import of goods had been hampered, and the free movement of some 2 million Palestinians within the territory and to and from Jerusalem had been prevented. Such closure and division of the occupied territory into four separate areas was a collective punishment, which was estimated to cost the Palestinian economy some $5 million daily, the equivalent in one month of all international aid provided to the

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Palestinian people. He therefore called for a rapid increase in all forms of assistance, particularly to the Gaza Strip. His delegation hoped that UNDP would allocate additional emergency resources from the budget of the fifth cycle and endeavour to obtain further resources from the donor countries with which to strengthen the budget of the Programme of Assistance to the Palestinian people. He thanked all the countries and organizations involved for their support.

63. While commending the continuing efforts to provide economic and social assistance to the Palestinian people, he said that the review of programmes contained in the report (DP/1993/19) was superficial, scant and incomplete. Furthermore, the language used should be consistent with Economic and Social Council resolutions 2026 (LXI) of 1976 and 2100 (LXIII) of 1977 and other relevant resolutions of the Security Council and the General Assembly, and state that any attempt to draw up new priorities should be made in prior consultation and close cooperation with the Palestine Liberation Organization (PLO). The previous month, the Palestinian side had proposed an outline for a comprehensive Palestinian national development plan, aimed at establishing new structures and institutions and adopting new policies in order to treat the Palestinian economy for the destructive effects of the long years of the Israeli occupation. The plan provided for large-scale job creation, support for construction and housing, the expansion and improvement of economic and social infrastructures, modernization of the productive sectors through the acquisition of appropriate advanced technology, and the achievement of equilibrium between the various geographic areas and population sectors. The plan would be submitted as soon as it was completed.

64. Within the programme of assistance, priority should be given to projects aimed at creating permanent jobs, particularly in agriculture and industry, and to infrastructure projects. It was also important to execute projects in remote and rural areas and among the poor and women, devoting particular attention to the Gaza Strip. Execution of the fishing port project in Gaza should begin immediately, and the feasibility studies for a commercial port in Gaza should be completed. All the administrative arrangements for the citrus factory in Gaza should be completed. Since the programme of work for the period from 1993 to 1996 was still at the broad outline stage, serious efforts should be made by UNDP officials and by relevant authorities of the PLO to determine which areas should be given absolute priority and to refine the programme of work with the donor agencies. It was important to bring the administrative and financial structures of the Programme of Assistance in line with the prevailing practices of UNDP. It was also vital to increase all forms of assistance from Headquarters.

65. He commended the report of the mission to review UNDP's programme in the occupied Palestinian territories. However, the report appeared to be based on political assumptions which were clearly at variance with General Assembly resolution 33/147 and the previously mentioned Economic and Social Council resolutions, and that had led to faulty conclusions. The report had not fully assessed the destructive impact of Israeli policies on the Palestinian economy; it appeared to take numerous unfulfilled Israeli promises at face value and assume that they would be implemented; and it sought to gloss over the unsound relationship between Israel and UNDP; that relationship should be given a thorough review. However, the report was a first step towards analysis of the

(Mr. Al-Kidwa, Observer, Palestine)

impact of numerous projects being implemented in the occupied territory and his delegation was prepared to assist in that undertaking.

66. The Committee on the Exercise of the Inalienable Rights of the Palestinian People had held an extremely useful seminar on assistance to the Palestinian people at UNESCO headquarters from 26 to 29 April 1993. The seminar had been attended by donor countries, United Nations agencies, representatives of the Palestinian people, regional organizations, NGOs and numerous experts. The Palestinian side had presented its outline of a Palestinian national development plan and the role of the international community in that plan. The seminar had considered the deteriorating conditions in the occupied Palestinian territory, including Israel's responsibility for that deterioration, and the way Israel obstructed assistance to the Palestinian people. The participants had urged the international community to put pressure on Israel to lift the embargo from the occupied territory, to remove all obstacles to development and to allow all United Nations organizations and specialized agencies providing assistance to the Palestinian people to work freely and officially in the occupied territory. The Israeli occupation authorities at present allowed only UNDP and the United Nations Relief and Works Agency (UNRWA) to work there officially. The seminar had concluded that there was a need for increased cooperation on the provision of assistance to the Palestinian people among United Nations agencies and between them and the donor countries. A plan of work and an action mechanism should be drawn up rapidly. The main role in coordinating assistance should be played by the Secretary-General. He concluded by reiterating his full support for the Programme and his delegation's desire to develop its relationship with it.

The meeting rose at 6 p.m.